

# FISCAL NOTE

**Bill #:** HB0358

**Title:** Allow tax credit for portion of wages to persons receiving assistance

**Primary**

**Sponsor:** Beverly Barnhart

**Status:** As Introduced/Revised

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
<b>Net Impact on General Fund Balance:</b>	<b>Unknown</b>	<b>Unknown</b>

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

- Under this proposal, tax credits would apply to wages of persons who at the time of being hired were receiving cash assistance from, or were participating in or enrolled in:
  - the job supplement program provided for in MCA, 53-4-603(2);
  - the pathways component of FAIM provided for in MCA, 53-4-603(4);
  - the community services program provided for in MCA, 53-4-603(5);
  - the intensive employment and training program provided for in MCA, 53-4-703;
  - the Montana medical program provided for in MCA, 53-6-101; or
  - vocational rehabilitation services provided for in MCA, 53-7-108).
- For an employer to be eligible for the credit, the employee must be employed for an average of 20 hours per week or more during the year prior to the first year for which credits are allowed.
- To be eligible to receive the credit, the employer must provide employer-sponsored health insurance, and pay at least 50% of the employee's health insurance premiums.
- Credits are not allowed for employees whose average wage is less than \$8.15 per hour.
- All employers eligible for the credit will receive the maximum credit of \$4,758 for each qualifying employee.
- Due to the complex eligibility requirements stated above in assumptions 1 through 5, there is no means of accurately estimating the number of employees who will qualify for this credit in any given year. However, for every 100 employees qualifying for this credit, the total credit amount would be \$475,800.